



FISCAL MEMORANDUM

HB 2249 - SB 2392

March 14, 2022

SUMMARY OF BILL AS AMENDED (015661): Specifies that a parent, sibling, grandparent, spouse, or legal guardian of an intercollegiate athlete who represents the intercollegiate athlete for the purpose of securing compensation for the use of the intercollegiate athlete's name, image, or likeness (NIL) is not considered an athlete agent and is not subject to the requirements for an athlete agent. Makes other various changes regarding NIL compensation.

Further exempts administrative and branding service providers from registering as athletic agents. Defines administrative and branding service as providing scheduling, filing, recordkeeping, and social media content curation in support of an intercollegiate athlete's NIL. Requires the name of the persons who provides administrative and branding services to be disclosed and filed with the annual disclosure and agreement report submitted by the intercollegiate athlete to the institution in which they are enrolled.

FISCAL IMPACT OF BILL AS AMENDED:

**Decrease State Revenue – Exceeds \$200/FY22-23 and Subsequent Years/
Secretary of State**

Assumptions:

- Pursuant to Article 12 of the NCAA bylaws, a student athlete is prohibited from being compensated for use of his or her name, image, or likeness, and from being represented by a sports agent.
- Effective July 1, 2021 the NCAA adopted an interim policy waiver that excuses compliance with Article 12 of the NCAA bylaws until federal legislation or new NCAA rules are adopted. The policy allows individuals to engage in NIL activities in accordance with state laws.
- Public Chapter 400 of the 112th General Assembly effective January 1, 2022 authorized an intercollegiate athlete the with the ability to earn compensation for the use of the athlete's NIL.
- Pursuant to Tenn. Code Ann. § 49-7-2802 (h)(1) intercollegiate athletes can obtain representation by a third party or an athletic agent, for the purpose of securing compensation for their NIL. The section further requires that the agent be registered with Secretary of State's Office (SOS) or if the representative is an attorney, to be in good standing under the attorney's licensing authority.

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- According the SOS, since July 1, 2021, the number of athlete's agents registered in Tennessee has risen approximately 25 percent, attributed directly to the NCAA's decision. Since the eight months of enactment no such family members are currently registered as athlete agents with the SOS; therefore, the such family members will not have a significant fiscal impact to state or local government.
- SOS provides that depending on the scope of the work performed in relation to social media content curation under services provided by an administrative and branding service, there is estimated to be at least two individuals who would have paid a biennial renewal fee over the next two years, or one per year, who will no longer be required to renew in future years.
- Pursuant to Tenn. Code Ann. § 49-7-2109 athlete agents are required to pay biennially a:
 - \$500 application fee
 - \$200 renewal fee
- An estimated decrease in state revenue to the SOS exceeding \$200 will occur in FY22-23 and subsequent years.
- The provisions of this legislation will not have significant fiscal impact to the intuitions of higher education or to their college athletic programs.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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